

## United States Treasury Department and FinCEN Announce that the Corporate Transparency Act Will Not Be Enforced; Scope of Rules to Be Revised to Focus on Foreign Reporting Companies Only

March 4, 2025

As reported in our recent series of Client Alerts,<sup>1</sup> the Corporate Transparency Act (“CTA”) and the U.S. Department of the Treasury’s (the “Treasury Department”) Financial Crimes Enforcement Network’s (“FinCEN”) related beneficial ownership information (“BOI”) reporting rules have been the subject of a multitude of lawsuits, injunctions and announcements.

### Update as of March 3, 2025

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On February 27, 2025, FinCEN issued an alert which provided:

- that FinCEN will not issue any fines or penalties or take any other enforcement actions against any companies based on any failure to file or update BOI reports by the current deadlines; and
- that FinCEN intends to issue an interim final rule and to solicit public comment on potential revisions to existing BOI reporting requirements.

On March 2, 2025, the Treasury Department subsequently issued the following alert:

The Treasury Department is announcing today that, with respect to the Corporate Transparency Act, not only will it not enforce any penalties or fines associated with the beneficial ownership information reporting rule under the existing regulatory deadlines, but it will further not enforce any penalties or fines against U.S. citizens or domestic reporting companies or their beneficial owners after the forthcoming rule changes take effect either. The Treasury Department will further be issuing a proposed rulemaking that will narrow the scope of the rule to foreign reporting companies only. Treasury takes this step in the interest of supporting hard-working American taxpayers and small businesses and ensuring that the rule is appropriately tailored to advance the public interest.

Following these announcements, not only does it appear that the CTA and the reporting rules will not be enforced by the Treasury Department and FinCEN, but the reporting rules will be revised and the scope will exclude U.S. reporting companies and beneficial owners.

We will continue to monitor the developments in this rapidly and frequently changing area and will continue to provide updates.

### For More Information

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We are available at any time to answer questions, discuss scenarios, and provide guidance. If you would like further information concerning the matters discussed in this article, please contact a member of the Corporate and Securities Department or visit us online at [chapman.com](http://chapman.com).

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- 1 See the following Client Alerts for a history of recent developments regarding enforcement of the Corporate Transparency Act:
- December 9, 2024: "[Corporate Transparency Act Enforcement Temporarily Blocked by Court](#)"
  - December 13, 2024: "[FinCEN Seeks Stay of Corporate Transparency Act Preliminary Injunction](#)"
  - December 17, 2024: "[Government Files an Emergency Motion with the 5th Circuit Court of Appeals to Stay Corporate Transparency Act Preliminary Injunction](#)"
  - December 23, 2024: "[Fifth Circuit Court of Appeals Grants Stay Pending Appeal as to the Preliminary Injunction of the Corporate Transparency Act, and FinCEN Extends CTA Reporting Deadline to January 13, 2025](#)"
  - December 27, 2024: "[Nationwide Preliminary Injunction on Corporate Transparency Act is Back](#)"
  - January 24, 2025: "[Supreme Court Stays Injunction, but Enforcement of the Corporate Transparency Act Remains on Hold](#)"
  - February 19, 2025: "[Another Injunction of the Corporate Transparency Act is Stayed; FinCEN Announces New Reporting Deadline](#)"

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